M0370088
Task ID# 1701

Please file

LISBON VALLEY MINING CO

Mr. Lynn Jackson
US Bureau of Land Management
82 East Dogwood
Moab Utah 84532

February 19, 2007

Re: Summary of Proposed Mine Plan Amendments. Lisbon Valley Mining Company LLC. 920 South County Road 313, La Sal, Utah, 84530.

Dear Lynn:

As discussed during the January 9, 2007 meeting, the Lisbon Valley Mining Co LLC (LVMC) plans to modify its Plan of Operations (POO) and Notice of Intent (NOI). We respectfully submit this summary of amendments in accordance with 43CFR 3809.431.

Our proposal expands on the January meeting and has four primary objectives:

1. Describe the scope of each amendment relative to the approved Plan of Operations [POO (the 1995 Plan)][1] and Record of Decision (ROD).[2]
2. Identify the consequences of each amendment relative to environmental baselines documented the Final Environmental Impact Statement (FEIS).[3]
3. Summarize the cumulative consequences relative to environmental baselines.
4. Provide a format suitable for processing by both BLM and Utah Division of Oil, Gas and Mining (DOGM).

Our proposal is formatted in general accordance with 43CFR 3809.401-420 and addresses various requirements of the Utah Administrative Code (UAC) Title R647-4-104-110.

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[1] Summo USA Corp 1995. Proposed Plan of Operations – Lisbon Valley Project, prepared for US Department of Interior, Bureau of Land Management, Moab District, Grand Resource Area. 8 August, 1995

[2] BLM 1997. Record of Decision Environmental Impact Statement Lisbon Valley Copper Project. 26 March, 1997

[3] BLM 1997. Final Environmental Impact Statement, Lisbon Valley Copper Project, February 1997.

The proposal is divided into four sections. The first three sections provide information for analysis of each amendment under NEPA. The fourth section provides the same information as replacement pages for the POO and NOI. This section is included for the DOGM's use using Form MR-Rev-att. Replacement pages reiterate the scope of each amendment in the context of the 1995 Plan, using strikeout and underline to identify specific changes.

The "combined" format is intended to communicate the amendments to both agencies in the same document using a format both agencies can review and process simultaneously.

1. Section 1 describes the scope of each amendment. Design details are included as attachments. A revised site plan and summary table describe the cumulative effects of the proposed changes relative to the 1995 Plan and ROD. The site plan shows the location of mining activities, process facilities, waste dumps, support facilities, structures, buildings, and access routes. Two conceptual designs, one final design, and one VULCAN 6™ simulation show changes to pits, heap leach pad, waste dumps, and pond construction Table 1 summarizes the POO changes, including cumulative mining volumes, disturbance, and bonding (3809.401 & R647-4-105).

2. Section 2 describes the consequences of each amendment relative to the following environmental baselines evaluated in the FEIS:

    - Vegetation
    - Wildlife
    - Soils
    - Hydrology
    - Cultural
    - Geotechnical
    - Air and Meteorological
    - Socioeconomics
    - Transportation

3. Section 3 describes the cumulative consequences relative to environmental baselines evaluated in the FEIS.

4. Section 4 includes Form MR-REV, and is followed by eight replacement pages to the 1995 Plan and NOI using strikeout and underline.

Section 1 - Description of Amendments

The LVMC plans to amend or add to the following facilities:

1. Expand the Centennial pit.
2. Reduce the GTO pit.
3. Reduce the waste dumps.
4. Reposition the Stage IV Heap Leach Pad.
5. Add an Intermediate Leachate Solution (ILS) Pond.

The proposed amendments decrease life-of-mine ore by approximately 4 million cubic yards. This is a 12% reduction relative to the ROD.

The net result of expanding and reducing facilities results in a net increase of approximately 6 acres of ground disturbance from 1103 acres to 1109 acres. This is less than 1 percent change relative to the ROD. The total pit disturbance area increases by 24 acres. This is a 10% increase relative to the ROD, all on state land. The waste dumps disturbance decreases by 18 acres. This is an approximate 5% decrease relative to the ROD, all on federal land.

The reclamation bond increases, however this is not due to additional disturbance. The increase is due to an error in the original bond worksheet. This worksheet identified 257 acres of disturbance below the leach pad. The correct area is 266 acres, as documented in the ROD.

Table 1 summarizes the cumulative effects of proposed amendments.

Expand Centennial Pit

The most substantive amendment involves the approximate 50% expansion of the Centennial pit from 116 acres to 173 acres. The expansion occurs entirely in SITLA Section 36, T30S R25E, and requires re-routing County Road 313 and adjacent natural gas line. The expansion is depicted relative to the 1995 Plan and FEIS on a revised Site Plan [Figure 1-3 (Attachment #1)]. Changes are outlined as colored polygons. The final pit design is included as Attachment #2.

The pit expansion results in additional surface disturbance only. There are no substantive subsurface impacts, including changes to groundwater quality, either on state or federal land (R647-4-109). A groundwater simulation corroborates this conclusion, and is included as Attachment #3.

Reduce GTO Pit

The GTO pit is reduced approximately 50% from 68 acres to 33 acres. This reduction is also conducted in SITLA Section 36. The reduction is depicted on the Site plan. Final pit design is included in Attachment #4. The mine schedule is accelerated at the GTO pit to begin mining in year 3 verses year 6. The schedule is changed to take better advantage of new equipment for the longer hauls, and get the higher sulfide ore onto the pad sooner due to the longer leach time.

Reposition Leach Pad

The proposed leach pad reposition is conducted on federal land. The repositioning is proposed to take better advantage of topography, and does not increase ground disturbance (see Table 1). Preliminary design is included as Attachment #5. Its repositioning relative to 1995 Plan is shown on the Site Plan.

ILS Pond

The ILS Pond construction is conducted on previously disturbed private land. The pond design parallels the approved Pregnant Leachate Solution (PLS) pond. The pond will have an approximate 4-acre footprint, 9.6M gallon capacity, 14-foot depth, and will be operated at the 8-11 ft level. The pond adds additional freeboard to the ponds system, and thereby increases storm capacity. There are no surface or subsurface impacts associated with the installation. Preliminary design is included as Attachment #6. Its location relative to the 1995 Plan is show on the Site Plan.

Waste Dumps

The waste dumps are located on federal land. The dumps have been re-designed to contain the same amount of waste (relative to the ROD and 1995 Plan) with less ground disturbance. One of the dumps, Waste Dump A, will require an extra 100-ft lift of waste This will not affect storm water drainage design, and will not increase its footprint. The incremental bond increase is neglible.

The revision to Waste Dump A will increase its height from 320 feet (per ROD) to approximately 420 feet. The view shed is not substantively changed. A depiction of this change using Vulcan software is included as Attachment #7. The revised waste dump footprint is shown on the Site Plan.

Section 2 - Environmental Consequences

The following sections provide a preliminary evaluation of environmental consequences for each facility that is either expanded, or relocated relative to the 1995 Plan. This includes the Centennial Pit expansion, Heap Leach relocation, change in waste dump configuration(s) and ILS pond addition. The reduced facilities (GTO pits and waste dumps) are not evaluated, however, the reduction is considered in the evaluation of cumulative environmental consequences.

Centennial Pit Expansion

The environmental consequences of expanding the Centennial pit are outlined in Table 2. The most significant (temporary) consequence of the pit expansion is re-routing the County road and adjacent gas line. Other consequences result in reduced vegetation and land use, due to an enlarged pit. Pit expansion does not change surface diversion planning. As per the groundwater simulation (Attachment #3) there are no substantive changes to groundwater quality.

ILS Pond

The environmental consequences of installing the ILS pond are outlined in Table 3. There are no substantive environmental consequences. The pond is located on previously disturbed ground. A positive consequence is the increase in storm water capacity of the process system.

Heap Leach Pad

The environmental consequences of repositioning the Heap Leach pad are outlined in Table 4. There are no substantive environmental consequences.

Section 3 - Summary of Environmental Consequences

The environmental consequences of all proposed amendment are summarized on Table 5. Re-routing the County road, and the visual effects of the Centennial pit expansion comprise the substantive environmental consequences of the proposed amendments. This activity is conducted on SITLA land.

There are no substantive groundwater quality changes, either on state or federal land. Less groundwater is used in since there is less ore to leach and rinse. The amendments do not change storm water diversion plans, or result in increased sedimentation or erosion.

There is an overall neutralizing effect in the dumps from mining a larger percentage of acid-neutralizing rocks.

The amendments avoid cultural resources, and do not change plans for testing and mitigation of existing cultural.

A net 6 acres of rangeland is lost to the pit expansion. However, the expansion is outside grazing allotments.

In summary, the cumulative environmental consequences on federal land are deminimus.

Section 4 – Form MR-REV & Replacement Pages

Form MR-REV begins this section and is followed by eight replacement pages, six for the 1995 Plan and two for the NOI.

Form MR-REV-att (DOGM – Revise/Amend Change Form)
(Revised September 14, 2005)

Application for Mineral Mine Plan Revision or Amendment

Operator: LISBON VALLEY MINING CO LLC

Mine Name: LISBON VALLEY MINE **File Number: M/** 037 /1086

Provide a detailed listing of all changes to the mining and reclamation plan that will be required as a result of this change. Individually list all maps and drawings that are to be added, replaced, or removed from the plan. Include changes of the table of contents, section of the plan, pages, or other information as needed to specifically locate, identify and revise or amend the existing Mining and Reclamation Plan. **Include page, section and drawing numbers as part of the description.**

DETAILED SCHEDULE OF CHANGES TO THE MINING AND RECLAMATION PLAN

			DESCRIPTION OF MAP, TEXT, OR MATERIALS TO BE CHANGED
☐ ADD	☑ REPLACE	☐ REMOVE	PAGE 5 (R00)
☐ ADD	☑ REPLACE	☐ REMOVE	PAGE 8 "
☐ ADD	☑ REPLACE	☐ REMOVE	PAGE 9 "
☐ ADD	☑ REPLACE	☐ REMOVE	PAGE 10 "
☐ ADD	☑ REPLACE	☐ REMOVE	PAGE 21 "
☐ ADD	☑ REPLACE	☐ REMOVE	PAGE 22 "
☐ ADD	☑ REPLACE	☐ REMOVE	FIGURE 1-3 "
☐ ADD	☑ REPLACE	☐ REMOVE	PAGE 1 (NOI)
☐ ADD	☑ REPLACE	☐ REMOVE	PAGE 6 "
☐ ADD	☐ REPLACE	☐ REMOVE	
☐ ADD	☐ REPLACE	☐ REMOVE	
☐ ADD	☐ REPLACE	☐ REMOVE	
☐ ADD	☐ REPLACE	☐ REMOVE	

I hereby certify that I am a responsible official of the applicant and that the information contained in this application is true and correct to the best of my information and belief in all respects with the laws of Utah in reference to commitments and obligations, herein.

ROBERT V. WASHNOCK
Print Name

Robert V. Washnock General Manager
Sign Name, Position

16 FEB 2007
Date

Return to:

State of Utah
Department of Natural Resources
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
Phone: (801) 538-5291 Fax: (801) 359-3940

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FOR DOGM USE ONLY:
File #: M/ /
Approved:
Bond Adjustment: from ($)
to $

Approval Request

The LVMC appreciates the agencies' ongoing guidance and support as the LVMC continues the planned mine expansion. We look forward to your review, approval, and written request to proceed.

Please call Lantz Indergard at (435) 686 9950 #226 or email Lindergard@lisbonvalley.com if additional information is needed.

Sincerely,

Lantz Indergard PG
Environmental Manager
Lisbon Valley Mining Co LLC

Cc Utah Division of Oil, Gas & Mining, Pat Gochnour, File

5. **Thickness of soil material to be stockpiled:** Approx. 12 inches
   Area from which soil material can be salvaged: Approx. 1103 acres
   Volume of soil to be stockpiled: Approx. 1,462,216 cu. yds
   (cross reference with item IV-17)

6. **Thickness of overburden:** 0-600 ft

7. Thickness of mineral deposit: 0-600 ft

8. **Volume of refuse, tailings, and processing waste stockpiles:** * cu yds.

- Refuse – Refuse and construction waste will be temporarily stored on site in small manageable piles adjacent to active construction areas and hauled away to a permitted landfill.
- Tailings – Not Applicable
- Heap Leach Material – Up to 45,000,000 tons or 32,500,000 cubic yards of material.
- Overburden/Waste Material – Up to 96,000,000 tons or 65,700,000 cubic yards of material.

Not consistent

9. **Acreage and capacity of tailings ponds and water ponds and water storage ponds to be constructed:** (See Specifics Below) acres
   Acre feet

Facility	Capacity	Acreage
* PLS Pond	28.1 acre ft.	3.1 acres
*ILS Pond	28.1 acre ft	3.1 acres
* Raffinate Pond	28.1 acre ft	3.1 acres
*Storm Water Pond	17.4 acre ft.	1.9 acres
* Emergency Overflow Pond	42.0 acre ft.	4.3 acres

10. **Describe how topsoil or subsoil material will be removed, stockpiled, and protected:** Topsoil resources were evaluated and inventoried during baseline data gathering activities in 1994. This information was checked against USDA, SCS 1991 surveys of the area. Salvage of the A&B horizons of soil will provide 1,462,216 cubic yards of soil material, which will provide approximately 12. 6 inches of cover material during reclamation activities (not including pit areas which are proposed to be kept open following mining). Summo proposes to utilize scrapers to clear and stockpile a minimum of 12 inches of topsoil and subsoil from the facility areas. Organic material (grasses and shrubs) will be collected/mixed with topsoil and stockpiled in the locations shown on Figure 1. Topsoil stockpiles are strategically located throughout the project area for use during final reclamation. Topsoil stockpiles constitute 36 acres of impact

Section 2.4 (page 5)
Map 40 acres